"A STUDY OF IMPACT OF AMENDMENTS IN 'INCOME TAX ACT, 1961' FROM 2018-2022 ON GOVERNMENT AND NON-GOVERNMENT EMPLOYESS WITH SPECIAL RFERENCE TO LATUR AND OSMANABAD DISTRICT"

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INTRODUCTION

In India there are two types of taxes collected which are Direct Taxes and Indirect Taxes. Income Tax is a Direct Tax which was bring in to force in 1860. The Tax was introduced for the first time by Sir James Wilson. India's First "Union Budget" introduced by Pre-independence finance minister, James Wilson on 7th April, 1860.

Income tax was several times introduced and aborted in India as First enacted in 1860, then a separate Income Tax Act was introduced in 1886 which was also repealed by The Indian Income Tax Act, 1918 in 1918 with several important changes. Again it was replaced by the another new act which was passed in 1922. The Organizational history of the Income tax Department starts in the year 1922. The Income Tax Act, 1922 remained in force until the year 1961. The Income Tax Act, 1922 was become very complicated on account of innumerable amendments, The Government of India referred it to the law commission in 1956 with a view to simplify and prevent tax evasion.

The current Income Tax Act, 1961 has been brought into force on 1st April, 1962. It applies to whole of India (including Jammu and Kashmir). Since 1962 several amendments of far-reaching nature have been made in the Income Tax Act by the Union Budget every year which also contains Finance Bill. After it is passed by both the houses of Parliament and receives assent of the President of India, it becomes the Finance Act.

Income taxable under Income Tax Act, 1961 is divided under Five heads of Income as follows :

1) Income from Salaries.

2) Income from House Property.

3) Income from Profits and Gains of Business or Profession.

4) Income from Capital Gains.

5) Income from Other Sources.

There are XXIII Chapters, 298 Sections and Fourteen Schedules in the Income Tax Act, 1961.

NEED OF THE STUDY

This study is necessary to understand the impact of amendments which are being made in Income Tax Act, 1961 on government and non-government employees in Osmanabad district as compared to other parts of Maharashtra. Now a day's Government of India has made several amendments in Income Tax Act, 1961 through Finance Act. Such amendments are making positive impact on revenue generation capacity of Government and which helps to avoid tax evasion in India by the business entities.

The scenario of tax collection before A.Y 2014-15 was different and from A.Y 2015-16 the Income Tax scenario is changing from year by year which is making very positive impact on Income Tax collection and revenue generation capacity of Government of India.

Even though Latur and Osmnabad is well developed as academic hub, business hub, the degree of income tax awareness is less among government employees and non-government employees. This research focuses on different amendments which are made in last five assessment years under The Income Tax Act 1961 and their impact on government and non-government employees in India and especially in Osmanabad District. It will play an important role in spreading Income Tax Act, Finance Act and every years amendments there under.

Finance minister has introduced a new regime through the Budget 2020 under section 115BAC giving individuals and HUF taxpayers an option to pay income tax at lower rates. The new tax system is applicable for income earned from 1st April 2020 (FY 2020-21), which relates to AY 2021-22. Section 115BAC introduced in the Income Tax legislation to ensure that taxpayers who avail of various deductions and exemptions do not escape the liability to pay at least a minimum amount of Income Tax. The provisions of Alternative Minimum Tax (AMT) is a taxation concept that is applicable to non-corporate taxpayers. Therefore, the objective of research is comparative study of normal tax provisions and special tax provisions i.e. Section 115BAC and AMT.

OBJECTIVES OF THE STUDY

1. To analyze the impact of various amendments on government & non-government employees in India.
2. To know the awareness of tax payers about amendments in Income Tax Act and Finance Act in Latur and Osmanabad District.
3. To study level of Income Tax paid by government & non-government employees in Latur and Osmanabad district.
4. To examine impact of new tax regime on tax collection.
5. To compare the impact of Income Tax Provisions on government & non-government employees.
6. To draw conclusions and offer suggestions for increasing the revenue of government & avoid tax evasion practices.

HYPOTHESIS

1. TDS is timely deducted and Paid to Government.
2. Every employee tries to save taxes through various ways.
3. Generally government employees are more aware about provisions of Income Tax Act and Finance Act as compared to non-government employees.
4. Collection of Income Tax through new amendments of Finance Act is increasing.
5. New amendments are helping to avoid tax evasion by Individual taxpayers.

RESEARCH METHODOLOGY AND DATA COLLECTION

The data collection for this project will be both primary as well as secondary data. The primary data will be collected from a sample survey. A sample of 300 respondents will be collected from research area. The secondary data will be collected from internal sources. It will be collected on the basis of different Financial Statements of business entities, organization file, official records, and data available on the official website.

Various statistical tools such as measures of central tendency, percentile, quartile etc will be used as per the need. Diagram and charts will be used with the help of excel sheet.

SCOPE OF THE STUDY

I) Periodical scope: The periodical scope of this research will be for 5 Assessment Years i.e. 2018-19, 2019-20, 2020-21, 2021-22, 2022-23.

Geographical area: The geographical scope of the study will be India in general and Latur and Osmanabad district.

II) Operational scope: This will consider knowledge about Income Tax Act and Finance Act also amendments thereto by government and non-government employees. Income Tax is applicable to every type of employees. The awareness of Income Tax Act and Finance Act of government and non-government employees is compared and their tax payment level & tax avoidance practices are analyzed.

CHAPTER SCHEME

1) Introduction
2) Research methodology
3) Review of Literature
4) Income Tax Act and Finance Act in India
5) Scope of Income from Salaries and Amendments
6) Exemption under Income From Salaries
7) Deductions Available under Old Scheme and New Tax Regime.
8) TDS Provisions and Compliance's
9) Comparison between tax paid by Government & Non-Government Employees
10) Findings, Conclusion and suggestions

The above chapter scheme is tentative. Depending on the actual research work it may change in the course of the study.

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